

Rest

Rest Super 2026–27 Pre-Budget Submission

January 2026



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Executive Summary

Rest values the opportunity to provide a 2026-27 Pre-Budget Submission.

Rest is one of Australia's largest profit-to-member industry superannuation funds, with more than two million members – or around one-in-seven working Australians – and around \$105 billion in assets under management¹.

We represent around one million members under the age of 30, who are decades from retirement. An overwhelming majority of our members will retire into a post-2050 world. Many of our members work in part-time or casual jobs which can make it harder to build super consistently over their working lives. We put our members needs at the centre of everything we do, and we are deeply committed to maximising the retirement outcomes of our members.

As a superannuation fund and a large and diversified global institutional investor, Rest's recommendations in this submission focus on the priority superannuation, finance and investment policy settings we consider are needed to improve our members' retirement outcomes including the world into which they will retire. The recommendations include matters that require funding and budget appropriation from Government, and matters (such as law reform) we recommend are pursued alongside the budget process.

We believe that investment performance is inextricably linked to economic and business growth over the long run. We are therefore committed to supporting responsible investment and actions that lead to a more sustainable future, as maximising the retirement outcomes of our members is unlikely to be achieved in a world of poverty, inequality, unrest and environmental stress.

We therefore believe it's in the best financial interests of our members that we align where we can to the United Nations Sustainable Development Goals (SDGs). In that regard, we have prioritised five SDGs for action: SDG 5 (Gender Equality), SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities) and SDG 13 (Climate Action). Our recommendations in this submission align to those SDGs.

We would like to acknowledge the significant progress the Commonwealth Government has made since the last Budget on improving fairness and equity in super. This includes developments such as the Super Guarantee reaching 12%, super being paid on the Commonwealth Parental Leave Pay scheme, legislating important Payday Super reforms and the commitment to update the Low-Income Super Tax Offset (LISTO) settings to make super tax settings fairer for low-income workers². These important reforms will have a significant positive benefit for many Rest members.

Consistent with our recommendation to the Government's 2025 Economic Reform Roundtable process³, we would welcome the Government considering budget proposals with a focus on:

1. The use of evidence-based modelling of long-term economic growth and impact on Australians' personal financial situations, including climate scenarios; and
2. Prioritising the issue of intergenerational equity.

In summary, Rest makes the following 10 recommendations to the Commonwealth Government to enact in the 2026-27 Budget:

1. **Recommendation 1 (Priority Recommendation):** Extend the superannuation guarantee to all workers under 18, including those working less than 30 hours per week, with an appropriate transition and phasing period for businesses.
2. **Recommendation 2 (Priority Recommendation):** Urgently legislate Tranche 2 of the *Delivering Better Financial Outcomes (DBFO)* reforms to enable affordable, accessible, clear and easy-to-understand financial advice for super fund members.
3. **Recommendation 3 (Priority Recommendation):** Remove barriers to super funds being able to invest in members' best financial interests, including:
 - a) Reforming the annual superannuation performance test.
 - b) Removing or reclassifying stamp duty under *ASIC Regulatory Guide 97*, noting the inclusion of stamp duty can detract from the attractiveness of certain investments (such as property including residential housing, agriculture and agribusiness, and infrastructure) relative to other asset classes.
4. **Recommendation 4:** Progress a framework for retirement that supports the many Australians who have lower balances and/or rent their home in retirement, including:
 - a) Enabling members to make contributions into a super product that is paying a retirement income, and streamlining of the transition from accumulation to retirement phase.
 - b) Better integrating the Age Pension and super systems to ensure that retired members are accessing benefits and getting the best value from their superannuation savings.
 - c) Increasing the Work Bonus payments threshold to ensure members who are retired can earn more if needed to supplement their retirement income without impacting pension entitlements.
 - d) Providing a significant increase in Commonwealth Rent Assistance to ensure that retired members who rent have access to reasonable housing at market rates.
5. **Recommendation 5:** Fund and develop a framework for data sharing between government agencies and super funds, to uplift data integrity and support efficiencies across the system.
6. **Recommendation 6:** Fast track a comprehensive package of consumer safeguards to respond to emerging risks in the consumer landscape revealed by the Shield and First Guardian collapses, including:
 - a) Reviewing regulation and considering the future suitability of outsourced trustee models.
 - b) Strengthening regulation of platforms and associated products.
 - c) Extending anti-hawking rules to lead generation practices.
 - d) Requiring fund/product comparison sites to obtain an AFSL for providing limited or general advice.
 - e) Commencing the development of a standardised investment product labelling framework that applies consistent risk categories and descriptors across comparable options, enabling clear, like-for-like member comparison and improved consumer understanding.
7. **Recommendation 7:** Commence a review to consider appropriate models for the introduction of 'Superannuation Carer Credits' in Australia, which would compensate workers for the lack of superannuation contributions due to time out the workforce engaging in unpaid caring work, closely engaging all relevant stakeholders.
8. **Recommendation 8:** Co-design with First Nations peoples (and consult with other relevant stakeholders including the superannuation industry) the development of a holistic 'First Nations Retirement Strategy', with such a strategy to consider reforms needed within the

retirement system to close the gap in outcomes for First Nations peoples. Appropriate funding for the Strategy's development and implementation should be provided by Government. As part of the Strategy, Government should commit to a timeline for implementation of the following reforms:

- a) Reforming super binding death benefit nomination arrangements (and associated tax arrangements) to recognise kinship structures for First Nations peoples.
- b) Exploring reform options to address inequities relating to the current preservation age and the lower life expectancy of First Nations peoples.

9. Recommendation 9: Set policies that drive emissions reduction in Australia to the top of the Government's Nationally Determined Contribution (NDC) for 2035 (being 62-70% reduction on 2005 levels) and Net Zero by 2050, including:

- a) Amending the *Climate Change Act* to include Australia's 2035 emissions reduction target.
- b) Introducing more effective and comprehensive decarbonisation policy incentives in Australia, including consideration of expanding the Safeguard Mechanism to further decarbonise the economy.
- c) Considering further opportunities for Government and Specialist Investment Vehicles to crowd in institutional capital, including super funds, to invest in the energy transition.
- d) Continuing momentum and action on the Government's Sustainable Finance Agenda, including further consultation on sustainable product labelling.

10. Recommendation 10: Accelerate current work with State and Territory Governments to prioritise policy changes to encourage institutional investment in housing supply, including:

- a) Improving planning and zoning systems and increasing land-availability pipelines for large-scale housing projects.
- b) Reviewing and standardising definitions relating to social and affordable housing, including a national definition of essential workers, which includes retail workers, who are eligible for affordable housing.
- c) Consideration of more beneficial taxation arrangements.

2026-27 Budget Recommendations

We outline below further detail in relation to Rest's recommendations.

1. Making super fairer for young people – Super for under 18s

Rest proudly represents more than one million members under the age of 30. We represent nearly one-in-four young people aged 18-25 in Australia, including more than a quarter of all young women aged 18-25. These members are decades from retirement and will rely on our superannuation system to provide them with a dignified retirement. We are committed to advocating for measures that will make the super system fairer for our members and improve their retirement outcomes, including in relation to the treatment of workers under 18 years of age.

Currently the *Superannuation Guarantee (Administration) Act 1992* (SG Act) imposes a discriminatory, arbitrary and outdated requirement for those who are under 18 years of age to work at least 30 hours per week for one employer, before being entitled to compulsory super contributions.

The overwhelming majority (93%) of under-18-year-old workers usually work less than 30 hours per week in all jobs, meaning these workers are missing out on compulsory legislated super guarantee contributions⁴. Almost half of all under-18 workers (46%) work as 'Sales Workers', and 77% work in either the Accommodation and Food Services, or Retail Trade industries⁵, industries in which many Rest members work.

Rest strongly believes that the full benefits of our superannuation system should be extended to all workers, including under 18s who work less than 30 hours a week.

New Rest modelling shows the significant benefits of extending the super guarantee to under 18s. Removing the 30-hour rule for under-18 workers would see⁶:

- a typical 15-year-old Rest member benefit from an estimated \$3,400 extra in super by their 18th birthday, and an estimated **\$18,100 in additional super** by retirement, in today's dollars;
- a typical 16-year-old Rest member benefit from an estimated \$2,400 extra in super by their 18th birthday, and an estimated **\$12,900 in additional super** by retirement, in today's dollars;
- a typical 17-year-old Rest member benefit from an estimated \$1,300 extra in super by their 18th birthday, and an estimated **\$7,000 in additional super** by retirement, in today's dollars.

Extending the full benefits of compulsory super to under 18s would mean around 515,000 workers across Australia would receive overall an extra \$405 million in super contributions in 2025-26⁷.

The change would also help in narrowing the gender super gap with recent industry modelling showing a typical teenage female worker would, on average, experience an even greater benefit than male workers from this change⁸. Women under the age of 18 are less likely to work more than 30 hours per week than men⁹. Female Rest members under 18 typically make smaller monthly super contributions than under-18 male members¹⁰. By the time they're nearing retirement in their 60s, Rest's female members typically face a gender super gap of 27%¹¹.

We believe that when young members engage with their super they feel more confident about their future. Earlier and more regular engagement can lead to better retirement outcomes. This hugely important change would mean young people start their working lives with a more positive and meaningful engagement journey with our superannuation system.

Finally, we know there is overwhelming community support for this change. Rest's research has revealed that¹²:

- 98% of Rest members said it was important for superannuation to apply to all working Australians regardless of how much they earn or how many hours they work.
- 71% said they supported making super payable to all workers under the age of 18, regardless of how many hours they work. Only 5% opposed it.

As a priority, Rest strongly recommends that the Government extend the superannuation guarantee to all workers under 18, including those working less than 30 hours per week.

Rest acknowledges the impact that such a reform could have on business, particularly small and medium-sized businesses. Accordingly, in advance of legislating this reform, Rest recommends that the Government engage in detailed consultation, including regarding a multi-year staged and phased transition and implementation of the change, in addition to supporting growing employment and productivity for a prosperous retail sector for all Australians.

Recommendation 1 (Priority Recommendation): Extend the superannuation guarantee to all workers under 18, including those working less than 30 hours per week, with an appropriate transition and phasing period for businesses.

2. Urgent action on financial advice reform

Rest is passionate about the provision of affordable and accessible financial advice to our members, and the role that super funds play in providing valuable advice in a cost-effective way. We believe the

right advice at the right time can be transformative, helping members to build financial confidence and achieve their best possible retirement outcomes.

For many of our members, Rest's collectively charged limited advice model is the only way they can access personal financial advice. We firmly believe that all Australians should be able to access financial advice – regardless of their income or circumstances. For these reasons, Rest strongly supports the *Delivering Better Financial Outcomes (DBFO)* reform package and urges the Government to legislate Tranche 2 of the reforms¹³ as a priority.

By clarifying and expanding the advice that super funds can provide under a collectively charged advice model – including the ability to offer more comprehensive, household level retirement advice – Rest members will be better equipped to plan and prepare for their retirement. In addition, allowing funds to assist members in implementing advice provided under the collectively charged model will further enhance its effectiveness and value. These enhancements are complemented by proposed reforms that will further strengthen member engagement, including the introduction of:

- A new class of adviser to assist members with simpler advice needs, playing a vital role in complementing the financial advice framework and enabling Rest to deliver more simple, accessible advice and guidance at scale. This is particularly important as many Rest members have less complex advice needs, making them ideally suited to receive support from this new adviser type.
- Targeted superannuation prompts that are not considered personal advice, which will reinforce the broader advice framework by helping members to identify when it may be beneficial to seek further guidance or advice. For example, prompting a cohort of members aged over 65 who remain in accumulation about the potential tax benefits of moving their balance to the retirement phase.

The reforms proposed in DBFO Tranche 2 are vital for Rest to deliver more accessible and affordable guidance and advice to our members that will in turn support our ability to provide enhanced information, guidance and services to our members. The implementation of these reforms will also enhance Rest's capacity to deliver on the proposed *Superannuation Retirement Income Solutions - Best Practice Principles*¹⁴. We therefore strongly urge the Government to prioritise the passage of the DBFO Tranche 2 reforms ahead of the Principles to ensure trustees can more effectively put them into practice.

Recommendation 2 (Priority Recommendation): Urgently legislate Tranche 2 of the *Delivering Better Financial Outcomes (DBFO)* reforms to enable affordable, accessible, clear and easy-to-understand financial advice for super fund members.

3. Removing barriers to value-generating investments for members

Rest's primary investment goal is to grow members' savings, so they have the opportunity to live their best retirement by delivering net investment returns above the rate of inflation. Rest sets an investment strategy and an objective for each investment option. Investing only for our members, Rest keeps a long-term focus on maximising returns for a given level of risk while keeping costs low.

Rest strongly supports removing current barriers which are discouraging super funds from being able to invest in members' best financial interests, particularly in relation to the priority areas of reforms to the annual superannuation performance test and *ASIC's Regulatory Guide 97 (RG 97)*.

We believe these changes would drive better financial outcomes for members and efficient investment activity across listed and unlisted markets. For example, for unlisted markets, recent industry research estimates that an enhanced allocation by super funds to Private Equity and Venture Capital (PEVC) would boost retirement incomes, and support the creation of Australian jobs, with the PEVC under-allocation estimated to cost retired members up to \$20,000¹⁵.

Reforming the annual superannuation performance test

Rest believes that all super funds that manage Australians' super assets should provide competitive investment performance relative to appropriate benchmarks. There must be clear expectations for fund performance, and consequences for funds that persistently do not meet them. As such, Rest has long supported the policy objective of the performance test.

However, the current performance test framework needs to be improved so it is more sophisticated in assessing and supporting member outcomes. A clear weakness of the current test framework is its focus on measuring implementation of an investment strategy, rather than taking into account the value provided by trustees through asset allocation and option design.

The current design of the performance test means super funds face barriers that can prevent them from investing in a full range of opportunities on behalf of members. The design of the current benchmarks combined with the existential consequences for super funds that fail the test, mean that investments in asset classes not included in the benchmarks and emerging asset classes are disincentivised. As a result, the current design of the test can inhibit super funds from contemplating some investments that may be in members' best financial interests.

An improved performance test framework should remove barriers to investment owing to the current asset class benchmarks, which will lead to better member outcomes. As an example, super funds can face barriers to investing in venture capital, which is currently measured against listed equities under the performance test benchmark, but has a very different return profile to listed equities. In addition, improving the performance test framework could also remove barriers to investing in areas such as residential housing supply, agriculture and agribusiness, and the clean energy transition. Rest welcomes the Government actively considering changes to improve the performance test.

In addition, administration fees, represented by actual and benchmark Representative Administration Fees and Expenses (RAFE), should be calculated on the historic year against the same year of investment performance, to better represent historical net performance.

Removing or reclassifying stamp duty under Regulatory Guide 97

Rest recommends reforms to ASIC's *Regulatory Guide 97* to remove stamp duty as a reportable transaction cost, noting the inclusion of stamp duty can, and does, impact the attractiveness of certain investments – such as property including residential housing, agriculture and agribusiness, and infrastructure – relative to other asset classes in Australia and relative to similar investments in overseas jurisdictions.

Stamp duty is currently included as a reportable cost, despite being fundamentally different to other transaction costs covered by RG 97 as it is a tax that cannot be reduced through efficient portfolio management, nor by changing investment strategies. The inclusion of stamp duty is inconsistent with the treatment of many other taxes or duties that are not required to be disclosed under the reporting regime (e.g. GST, mining royalties and land tax). As such, stamp duty should be treated like other taxes, rather than as an investment cost.

The inclusion has the ability to act as an investment deterrent for investing in Australian property, as Australia typically has higher rates of stamp duty than other jurisdictions – particularly the United States – making it relatively less attractive for super funds. Additionally, disclosure on this basis can create the perception that a fund which invests directly in property has higher management expense ratios than a fund that invests in property via a fund, which is misleading for members.

The current requirements of RG 97 can also impact other types of investments, such as in infrastructure and agriculture/agribusiness where property is often part of a commercial structure.

In order to maintain strong transparency for members, Rest supports reclassifying stamp duty and maintaining a requirement for disclosure, albeit not as a reportable transaction cost.

Recommendation 3 (Priority Recommendation): Remove barriers to super funds being able to invest in members' best financial interests, including:

- a) Reforming the annual superannuation performance test.
- b) Removing or reclassifying stamp duty under *ASIC Regulatory Guide 97*, noting the inclusion of stamp duty can detract from the attractiveness of certain investments (such as property including residential housing, agriculture and agribusiness, and infrastructure) relative to other asset classes.

4. Supporting lower-balance members and renters in retirement

Rest is determined to help our members reach their best-possible retirement and give them confidence in their financial future. Rest members are more likely to work in part-time or casual roles during their working life, which can limit how much super they're able to accumulate over their careers and into retirement.

Consistent with Rest's unique member demographic, around 343,000 members (about 17%) are aged 50 or older, and around 159,000 (about 8%) are aged 60 or older. Rest members aged 60-69 have an average balance of just \$115,000 (and a median balance considerably lower at \$56,000).¹⁶ This is less than half the \$238,000 average balance of 60-69 year old members in the other largest 10 industry funds (by number of members).¹⁷

Rest members will generally rely on the full or part Age Pension for their retirement. Super provides a vital part of their financial security in retirement but improving the interactions between superannuation and government income support are key to meeting our members' needs.

Rest members are also less likely to own their own home, with nearly 30 per cent of Rest's approximate 91,000 members aged 60 and over that are still receiving super contributions, being without the security of home ownership.¹⁸ These members will have ongoing rental costs in retirement, further driving a need to top-up income. The 2025 ASFA Retirement Standard shows that a modest retirement for a couple renting privately requires a superannuation balance of \$385,000 compared to \$100,000 for a homeowner.¹⁹

We are focused on understanding our members' unique situations and supporting them towards their best possible retirement outcome. We do this in a variety of ways, including providing access to advice that addresses what's important to them, such as managing cost of living pressures and debt.

We welcome the ongoing conversation and commitment from Government to make changes to improve the retirement phase of superannuation²⁰.

Our experience working with our members shows that retirement is a flexible transition, often involving movement out of and back into the workforce, and ongoing work into retirement. This reality of working patterns in retirement is inconsistent with the binary nature of the superannuation system, which does not allow contributions to be made to products in the retirement phase.

Rest recommends Government enact reforms that simplify and streamline the accumulation and retirement phases by removing the existing prohibition on making super contributions to existing account-based pensions, to simplify the system, provide more flexibility and choice for retired members to manage their retirement income streams and reduce the need for multiple super

accounts. Industry modelling suggests this change would remove duplicate fees for about 100,000 members who are retired²¹.

We understand that many members find the process of navigating financial arrangements into retirement complicated, and we suggest that simplification of this process should be a high priority. The Government should consider reforms that better integrate the Age Pension and superannuation systems. The processes to apply for the Age Pension and commence an income stream require a review with a consumer focus, supported by readily available information on options and assistance available, and better data sharing across the system to enable funds to support members (see Recommendation 5).

There are also current settings that discourage working post-retirement, limiting the options of members navigating this phase. The current settings of the Work Bonus only allow earnings of \$300 in a fortnight (\$11,800 p.a.) before impacting Age Pension, and especially for retired members renting in the private rental market, this is unlikely to provide sufficient income for suitable housing arrangements for many members. We therefore recommend that the Work Bonus settings be reviewed.

The number of retired members in the private rental market is increasing. Research forecasts the percentage of people over 65 owning their own home could be as low as 70% by 2036²². Rest members are also less likely than average to own their own home in retirement²³. Many retired members in the private rental market struggle financially, with around two thirds living in poverty, and with little financial resources to change their circumstances²⁴. At the current rate across all recipients, with increased rental costs in recent years, 41.8% of households receiving Commonwealth Rent Assistance experience financial stress²⁵. Rest acknowledges the increases to Rent Assistance in 2023 and 2024, however even these increases have not substantially alleviated the risk of renters being in financial stress. Rest believes that Commonwealth Rent Assistance payments need to be significantly increased. While increasing Rent Assistance entails additional cost to Government, modelling by the Productivity Commission²⁶ shows improved housing stability reduces downstream health and social services expenditure.

Rest believes that these kinds of reforms to simplify the system and products available that work for the majority of working Australians will lead to better retirement outcomes for Rest's members. Further, better government support for adequate income in retirement to meet living costs for low income and low balance members, will lead to more Rest members achieving the dignified retirement envisaged by the legislated objective of superannuation.

Recommendation 4: Progress a framework for retirement that supports the many Australians who have lower balances and/or rent their home in retirement, including:

- a) Enabling members to make contributions into a super product that is paying a retirement income, and streamlining of the transition from accumulation to retirement phase.
- b) Better integrating the Age Pension and super systems to ensure that retired members are accessing benefits and getting the best value from their superannuation savings.
- c) Increasing the Work Bonus payments threshold to ensure members who are retired can earn more if needed to supplement their retirement income without impacting pension entitlements.
- d) Providing a significant increase in Commonwealth Rent Assistance to ensure that retired members who rent have access to reasonable housing at market rates.

5. Uplifting data integrity across the superannuation system

Challenges to service delivery, efficiency and providing members good guidance to support retirement are often driven by limited data held and available to super funds. The nature of onboarding in the

super system, reliant on data provided by third parties (employers and payroll), and limited engagement early in the life of super accounts results in member data that can be unreliable and not regularly updated.

Data mismatching challenges super funds' efforts to implement full straight-through processes, as well as efficiently manage member interactions, and provide effective guidance aligned with meeting obligations under the Retirement Income Covenant.

Particularly as super funds prepare for Payday Super, funds' ability to comply with a three-day process to allocate or return contributions will be dependent on being able to ensure that contributions are straight-through processed in all possible cases, which is dependent on data that is complete, accurate and up to date.

Further, successful provision of support to members to make decisions about retirement requires sufficient, relevant and accurate information about our members. It can often be challenging for funds to identify when members require greater information or support and when they may in fact be 'retired'. The data required to effectively provide guidance is frequently related to household circumstances, and access to data for a household can be limited.

We believe that significant opportunities exist for information sharing between government agencies and super funds. For example, the ATO has rich and more current member data, including related to work patterns through Single Touch Payroll reporting, and Services Australia has information on when a member has applied for the Age Pension.

We therefore recommend the Government initiate consultation regarding a data-sharing framework between government agencies and super funds, including consideration of systems, privacy and security impacts. Such a framework should facilitate government sharing relevant and useful data with super funds, seeking to leverage existing data interactions across the system.

Recommendation 5: Fund and develop a framework for data sharing between government agencies and super funds, to uplift data integrity and support efficiencies across the system.

6. Strong consumer safeguards to avoid member harm

Recent product failures of Managed Investment Schemes (MISs) including Shield and First Guardian have raised serious concerns about consumer protections in the Australian super system, in particular where members in APRA-regulated funds have been targeted to prompt switching outside the APRA regulated sector. This has increased pressure on the Compensation Scheme of Last Resort (CSLR), originally designed as a genuine last resort safety net for victims of financial misconduct, but now facing escalating costs to compensate members in whole product collapses.

These failures require Government to examine opportunities for consumer protection measures that prevent consumers becoming victims of such failures and ensure that the protections afforded to members of APRA-regulated funds are applied to other structures where consumers' super savings are held. We welcome the Government's commitment to consider stronger consumer protections and urge the Government to fast track a comprehensive package of safeguards in the 2026-27 Budget.

Rest believes that members' interests are best served in a structure where there is clear accountability by trustees for the fund, products and services provided to members. Structures, including MISs, that separate platform trustees from platform management and the scheme create complexity and a lack of clarity regarding accountability for the underlying consumer as well as for regulators. This also creates circumstances where compensation in the event of failure may be avoided by certain participants, resulting in increased burden on the CSLR. We therefore recommend that Government consider whether outsourced trustee models are appropriate in the light of recent failures.

Furthermore, Rest believes there are options to strengthen the regulation and oversight of MISs, platforms and associated products, with a view to regulate to the same standard as Responsible Superannuation Entities (RSEs). Such options may include extending regulatory responsibility to a parent entity, broadening the CSLR levy base to include MISs, reviewing *ASIC Regulatory Guide 148* and options for heightened regulation, and considering the role of further regulation of MISs and associated products.

The experience of consumers in the affected schemes has exposed practices of unsolicited lead generation contact, pressure selling and some inappropriate financial advice²⁷. In addition, reliance on fund and product comparison sites may have driven decisions by consumers who ended up in products unsuitable for them. Rest believes that lead generators should be subject to regulation, including consideration of licensing, and that they be specifically subject to anti-hawking laws.

Rest also recommends that fund and product comparison sites be required to be licensed to provide limited or general financial advice. *Corporations Act* section 766B²⁸ includes a '*recommendation or a statement of opinion, or a report of either of those things, that... could reasonably be regarded as being intended to have such an influence*' in the definition of advice. Considering the consumer perspectives when seeking information from these sites, it is reasonable that consumers view ratings, rankings and reviews as being intended to influence a decision. Including these services in the advice licensing and oversight remit would align them with community standards and expectations.

Finally, Rest believes the increased number and complexity of products in the super landscape makes it difficult for members to compare product structures, features and risk on a like-for-like basis. Building on our response to Treasury's Sustainable Investment Product Labelling consultation in August 2025²⁹, similar principles should be applied more broadly across investment options, with a particular focus on risk categorisation. A standardised labelling framework would improve transparency, enable meaningful comparison, and support more informed member decision-making.³⁰

Recommendation 6: Fast track a comprehensive package of consumer safeguards to respond to emerging risks in the consumer landscape revealed by the Shield and First Guardian collapses, including:

- a) Reviewing regulation and considering the future suitability of outsourced trustee models.
- b) Strengthening regulation of platforms and associated products.
- c) Extending anti-hawking rules to lead generation practices.
- d) Requiring fund/product comparison sites to obtain an AFSL for providing limited or general advice.
- e) Commencing the development of a standardised investment product labelling framework that applies consistent risk categories and descriptors across comparable options, enabling clear, like-for-like member comparison and improved consumer understanding.

7. Action on the Gender Super Gap – Superannuation Carer Credits

Rest proudly represents well over one million women, including more than one in every four young women aged 18-25 in Australia. Women are nearly 60% of Rest's membership. Many of our female members work in low-income part-time, casual or seasonal jobs, and take time off work to care for children or others. Our female members generally approach retirement with modest account balances that are significantly lower than their male counterparts.

The gender super gap for Rest members aged 60-64 sits at 27%³¹. We know that significant work is required to improve superannuation system settings to address this imbalance, including through

dealing with the economic penalty suffered by those (predominantly women) who engage in unpaid caring work, such as time on parental leave and other caring work.

Rest has welcomed recent reforms that go some way to addressing the gender super gap, including payment of super on the Commonwealth Parental Leave Pay scheme and the commitment to 'unfreeze' the Low-Income Super Tax Offset. However, in order to make meaningful progress towards closing the gender super gap, we need to also look at the system more holistically and address the broad impacts on retirement outcomes for women because of the structural design of the system.

Despite the huge economic value carers (generally women) provide to Australia through unpaid caring work, broken work patterns, time out of work, and reduced hours of work to engage in unpaid caring, it is one of the main contributors to the gender super gap. A report prepared for Carers Australia shows that the impact on average combined wages and superannuation over a lifetime can amount to around \$500,000, with the impact on superannuation savings being an average of \$175,500³².

The idea of a 'Superannuation Carer Credit' or payment, which would compensate workers (principally women) for the lack of superannuation contributions due to time out the workforce, or working reduced hours, engaging in unpaid caring work, is not new, and is gaining traction in Australia.

Many overseas jurisdictions have a form of carer credits in their public pension schemes³³, while other jurisdictions also have forms of carer credits in their private (individual contribution-based) pension schemes³⁴. These schemes vary on coverage, eligibility and funding arrangements.

The 2016 final report (*"A husband is not a retirement plan": Achieving economic security for women in retirement*³⁵) of the Senate Economic References Committee discussed the option of the introduction of carer credits in Australia and recommended that mechanisms for improving the retirement incomes of carer be further examined³⁶.

Rest is proud to be currently participating in research led by Women in Super that will make recommendations on models of carer credits in the Australian superannuation system. We believe that this research will provide a robust recommendation to Government that can provide the basis of a fulsome review and consultation concerning the introduction of 'Superannuation Carer Credits' in Australia. The review should closely engage with relevant stakeholders and consider the potential introduction of carer credits in the Australian context.

Recommendation 7: Commence a review to consider appropriate models for the introduction of 'Superannuation Carer Credits' in Australia, which would compensate workers for the lack of superannuation contributions due to time out the workforce engaging in unpaid caring work, closely engaging all relevant stakeholders.

8. Action on First Nations disadvantage in superannuation

Rest recognises the important role we can play in advancing reconciliation and improving retirement outcomes for our First Nations members. We estimate tens of thousands of our members identify as Aboriginal or Torres Straight Islander³⁷, living across urban, regional and remote communities. We are committed to understanding their needs and experiences so we can design products and services that help all members achieve their best possible retirement outcomes.

First Nations members face unique challenges in accessing and navigating the superannuation system, resulting in significantly lower balances compared to non-First Nations Australians. Industry research has revealed that the median super balance for a male First Nations member is \$27,000 (compared to \$80,000 for all men), and the median super balance for a female First Nations member is \$20,000 (compared to \$50,000 for all women)³⁸.

We believe a holistic **First Nations Retirement Strategy** is essential, developed in partnership with First Nations peoples and supported by Government, industry and other stakeholders. Its purpose should be to drive system-wide reforms that close equity gaps and strengthen outcomes across the retirement system for First Nations peoples.

As part of development of this strategy, we urge Government to commit to a timeline for implementing the following outstanding reforms:

1. **Kinship structures in binding death nominations:** Rest supports reforming superannuation binding death nominations arrangements (and associated tax arrangements) to recognise kinship structures for First Nations peoples. Under current arrangements, binding and non-binding superannuation death benefit nominations can only be made to a legal personal representative or dependant. A dependant is a spouse, child or '*any person with whom the person has an interdependency relationship*³⁹'.

There are several tests for an interdependency relationship⁴⁰. However, the tests don't directly address or guarantee inclusion of First Nations kinship structures which encompass broader notions of relationships to others and land. This gap can lead to situations where a nomination aligned with cultural expectations, such as nominating a sibling, may be deemed invalid.

Treasury consulted⁴¹ on this issue in 2019 following a recommendation from the Financial Services Royal Commission⁴², but no outcomes have been released and there has been no further progress in relation to this important reform.

2. **Preservation age and life expectancy:** Under current rules, members can generally access their superannuation once they have permanently retired and are between the ages of 60 and 64. At the age of 65, members have full access to their super benefits. The qualifying age for the Centrelink Age Pension is 67. However, First Nations peoples have considerably lower life expectancy, compared to non-First Nations peoples, meaning many do not live long enough to access their superannuation or the Age Pension.

Research shows⁴³ that to allow the same proportion of First Nations members to access superannuation as non-First Nations Australians, the preservation age would need to be around 14 years earlier, at 46 years for both First Nations men and women. This significant disparity highlights the need for reform.

Rest supports the Government, together with industry stakeholders, engaging in meaningful dialogue and consultation with First Nations peoples to explore reform options to address inequalities relating to the preservation age and lower life expectancy of First Nations peoples.

Reforms must be guided by engagement with First Nations voices, stories and lived experiences to ensure cultural perspectives and community priorities shape design and implementation.

Recommendation 8: Co-design with First Nations peoples (and consult with other relevant stakeholders including the superannuation industry) the development of a holistic 'First Nations Retirement Strategy', with such a strategy to consider reforms needed within the retirement system to close the gap in outcomes for First Nations peoples. Appropriate funding for the Strategy's development and implementation should be provided by Government.

As part of the Strategy, Government should commit to a timeline for implementation of the following reforms:

- a) Reforming super binding death benefit nomination arrangements (and associated tax arrangements) to recognise kinship structures for First Nations peoples.
- b) Exploring reform options to address inequities relating to the current preservation age and the lower life expectancy of First Nations peoples.

9. Supporting the transition to a Net Zero future

Rest believes that climate change poses a material financial risk to our members' retirement savings, and that actions to manage against these risks provide investment opportunities as the world transitions to a low-carbon economy. Rest has a long-term objective to achieve a net zero carbon footprint for the fund by 2050. In a recent Rest member survey, 86% of our members said it is important that we invest in and support renewable energy and other sustainable initiatives⁴⁴.

We welcome the Government's 2035 Nationally Determined Contribution (NDC), which provides a clear range (emissions reduction of 62% to 70%, on 2005 levels), and will be an important input into our portfolio construction and investment decision-making. While the Government's 2030 emissions reduction target (emissions reduction of 43%, on 2005 levels) and the 2050 target of net zero are legislated, the 2035 target is not legislated in the *Climate Change Act*. Legislating the target will give investors like Rest greater certainty in the medium-to-long term pathway for national emissions reduction and provide greater certainty for investment decision-making.

The Climate Change Authority noted in its Annual Progress Report that for the 2035 target to be achieved, the rate of emissions reductions must double in the 5 years to 2030 and triple in the decade to 2035⁴⁵. Rest would be strongly supportive of the Commonwealth Government adjusting existing policies and introducing new policies and incentives to drive emissions reduction to the top of the 2035 target and net zero by 2050⁴⁶.

Rest considers that Government policies should incentivise decarbonisation more effectively across the economy. In this context, Rest supports the 2026-27 Safeguard Mechanism review considering whether the path of emissions declines; facility thresholds; and sectoral coverage, such as to electricity generators, are aligned with driving Australia's emissions reduction to the top of the 2035 range. We also note the Productivity Commission recommended that the Australian Government should lower the Safeguard Mechanism threshold so that it covers more industrial facilities⁴⁷. The Commission stated if the review identifies no major concerns, reducing the threshold from 100,000 tonnes to 25,000 tonnes of carbon dioxide equivalent p.a. would be reasonable. We support exploration of these suggested amendments during the upcoming Safeguard Mechanism review.

Another important driver of Australia's success in meeting its emissions reductions targets will be ensuring public and private capital work cohesively in supporting the clean energy transition. Recent industry research outlines Australia's Specialist Investment Vehicles (SIVs) focused on clean energy collectively manage over \$60 billion in public funds, but have \$30 billion yet to be deployed⁴⁸. As noted in the report, these public funds have tended to invest in the same areas as private capital, limiting their ability to de-risk early-stage or higher-risk transition projects. Rest supports the Government actively considering how the SIVs' roles can be enhanced to better support the crowding in of private capital (including the super sector) to the clean energy transition, where it's in the best financial interests of members.

Finally, Rest strongly supports the Government's Sustainable Finance Agenda, including the Sustainable Finance Strategy⁴⁹, climate-related financial disclosures framework⁵⁰ and the Sovereign Green Bonds program. Rest continues to encourage Government to develop a further roadmap to address other environmental and social focus areas as part of the next phase of the sustainable finance agenda, including issues related to decent work and social and economic inequality.

Rest is committed to ensuring any new sustainable investment product labelling regime would be meaningful for our members. As investment providers of generally mature offerings with an understanding of the importance of sustainability, we believe that labelling considerations should be simple, flexible and designed to give members clear, comparable information across different products. Rest notes the Government's target of 2027 for the commencement of sustainable investment product labelling, subject to final policy decisions. To support effective implementation, we would recommend that Government consult further on a more detailed and specific set of design principles for the labelling regime⁵¹.

Recommendation 9: Set policies that drive emissions reduction in Australia to the top of the Government's Nationally Determined Contribution (NDC) for 2035 (being 62-70% reduction on 2005 levels) and Net Zero by 2050, including:

- a) Amending the Climate Change Act to include Australia's 2035 emissions reduction target.
- b) Introducing more effective and comprehensive decarbonisation policy incentives in Australia, including consideration of expanding the Safeguard Mechanism to further decarbonise the economy.
- c) Considering further opportunities for Government and Specialist Investment Vehicles to crowd in institutional capital, including super funds, to invest in the energy transition.
- d) Continuing momentum and action on the Government's Sustainable Finance Agenda, including further consultation on sustainable product labelling.

10. Accelerating investment in Australia's housing supply

Access to affordable, safe and secure housing remains an important issue for Rest. Our members, particularly retail workers, are disproportionately impacted by the lack of housing, including due to the challenges associated with the prevalence of part-time, casual and seasonal work patterns in the retail sector. These arrangements can lead to variable income, making it harder to accumulate a deposit, rental bond or to have certainty of employment and income.

The median annual total cash earnings for a retail worker in Australia is estimated to be around \$67,600 as at August 2025⁵² while the mean price of residential dwellings in Australia was \$1,045,000 in the September 2025 quarter⁵³. Anglicare's *Rental Affordability Snapshot (Essential Workers Report 2025)* finds that only 1.1% of rental listings across Australia were affordable for retail workers, who were among the types of essential worker finding it most difficult to afford rent⁵⁴.

Rest members over the age of 50 are more likely than the general population to be renting or still paying a mortgage, and on average have less wealth outside superannuation. The availability and affordability of housing is undoubtedly a significant contributor to the retirement outcomes of our members.

Rest is a signatory to, and strong supporter of, the Commonwealth Government's Housing Accord and supports the Housing Australia Future Fund (HAFF). We take seriously our commitments under the Accord to work constructively with Government to optimise policy settings to facilitate institutional investment in housing, and to increase investment in housing where it is in the best financial interests of members to do so.

There is a significant opportunity for Government to work to reduce the risk profile of housing-related investments, thereby making them more attractive to institutional investors, particularly when compared to alternative investments. We acknowledge there is significant work underway by the Commonwealth, State and Territory Governments in this regard.

Rest recommends that the Commonwealth Government, working with State and Territory Governments, prioritise the following three actions⁵⁵:

1. Improving planning and zoning systems for large-scale housing projects (including quicker decisions, higher certainty of planning outcomes and density/floor space bonuses) and increasing land-availability pipelines for housing projects⁵⁶, while maintaining an important focus on ensuring housing projects are sustainable and energy efficient.

2. Reviewing and standardising definitions relating to social and affordable housing, to provide a comparable and level-playing field for investors across jurisdictions. This should include a national definition of essential workers, which includes retail workers, who are eligible for affordable housing⁵⁷.
3. Consideration of more beneficial taxation arrangements (for example, beneficial GST treatment for dwellings that deliver affordable housing).

We consider that these three actions will go a significant way to removing barriers which have stood in the way of institutional capital being deployed, at scale, to deliver strong risk-adjusted returns for super fund members, while helping to alleviate some of our nation's housing challenges. Other changes we have outlined in this submission around the super performance test and the classification of stamp duty under *ASIC Regulatory Guide 97*, would also have significant bearing on institutional investment in housing in Australia.

Recommendation 10: Accelerate current work with State and Territory Governments to prioritise policy changes to encourage institutional investment in housing supply, including:

- a) Improving planning and zoning systems and increasing land-availability pipelines for large-scale housing projects.
- b) Reviewing and standardising definitions relating to social and affordable housing, including a national definition of essential workers, which includes retail workers, who are eligible for affordable housing.
- c) Consideration of more beneficial taxation arrangements.

Conclusion

Rest values the opportunity to provide a 2026-27 Pre-Budget Submission. We would welcome the opportunity to further discuss any matters outlined in this submission.

¹ As at 31 December 2025.

² Rest also supports the recommendation of the Super Members Council (SMC) to index the LISTO payment amount and eligibility threshold, to ensure ongoing alignment with the policy's intent.

³ Rest's July 2025 submission to the Economic Reform Roundtable consultation can be found [here](#).

⁴ Super Members Council (2024) [Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age](#). Page 6.

⁵ Super Members Council (2024) [Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age](#). Page 8.

⁶ The typical 17 year old Rest member is assumed to work 7% of weeks in a year at a rate more than 30 hours a week and 14 hours a week on average, in line with Super Members Council findings in [Guaranteeing a Super Start to Work: Paying Super Guarantee to all workers under 18 years of age](#) (2024). The 15-year-old is assumed to work 9 hours a week on average and the 16-year-old 11 hours a week on average. The average weekly total cash earnings for non-managerial employees aged 17 and under is used as a base, with 2023 rates being adjusted to 2025 rates (ABS, (2024). Employee Earnings and Hours, Australia, May 2023). The typical member is assumed to enter the workforce on their birthday and retire at 67, receiving a gross investment return of 7.25%, the average 10-year return for Rest's Growth option, as at October 2025. Investment returns are calculated after tax on investment income, and investment fees and costs and transaction costs, but before the deduction of administration fees. Real wage growth is assumed to be 3.7%, reflecting the assumptions in ASIC's Moneysmart Superannuation Calculator. Administration fees are based on current fee terms of \$1.50/week plus a 10-basis points p.a. asset fee, capped at \$600 p.a. Other administration costs of 0.09% p.a. have not been included as these represent Costs met from reserves, and are deducted from the Fund's reserves throughout the year and not directly from a member's account. Contributions are taxed at the relevant rate of 15%. The analysis is illustrative only. It should not be relied on for the purpose of making a decision in relation to a financial product. Estimates are rounded to the nearest \$100.

⁷ Super Members Council (2025) [Closing the gender super gap: Pay super to all under-18 workers](#). Page 2.

⁸ Super Members Council (2025) [Closing the gender super gap: Pay super to all under-18 workers](#). Information about the modelling can be found on pages 5-7.

⁹ Super Members Council (2025) [Closing the gender super gap: Pay super to all under-18 workers](#). Information about the modelling can be found on page 4.

¹⁰ Based on latest monthly contribution data for Rest members aged under 18, as at 31 October 2025.

¹¹ Based on average balances for Rest members aged 60-64, as at 31 October 2025.

¹² Research conducted by Redbridge Group, on behalf of Rest, via an online survey of 1,007 Rest members aged 18 and above between 23 January and 6 February 2025. The data is weighted based on gender and age weights to reflect Rest's membership profile.

¹³ Treasury (December 2024) Fact Sheet: [Ensuring access to quality and affordable financial advice](#).

¹⁴ Treasury (September 2025) [Guidance on best practice principles for superannuation retirement income solutions, Consultation paper](#).

¹⁵ Mandala (2025) [Private Capital: Australia's Untapped Opportunity](#) notes that RG 97 incentivises prioritising fee reduction over net returns and creates an unlevel playing field for unlisted assets. The YFYS performance test uses an inappropriate benchmark, creating distortionary behaviour that harms member outcomes.

¹⁶ Rest member data, September 2025.

¹⁷ APRA (June 2025) [Quarterly Superannuation Statistics](#).

¹⁸ Rest Retirement Survey (August 2024), sample of 1,854 Rest members.

¹⁹ ASFA (2025) [Retirement Standard](#).

²⁰ Rest's February 2023 submission to Treasury's discussion paper on the retirement phase of superannuation can be found [here](#).

²¹ Super Members Council (2024) [Super Policy Priorities – 2025](#). Page 7.

²² Grattan Institute (2025) [Renting in retirement: Why Rent Assistance needs to rise](#). Page 17.

²³ Rest Retirement survey (August 2024), sample of 1,854 Rest members.

²⁴ Grattan Institute (2025) [Renting in retirement: Why Rent Assistance needs to rise](#). Page 11.

²⁵ Productivity Commission (2025) [Report on Government Services 2025, Housing and homelessness](#). Page 3.

²⁶ Productivity Commission (2022) [In Need of Repair: The National Housing and Homelessness Agreement. Inquiry Report No. 102](#).

²⁷ ASIC (2025) [Enforcement Activities Shield Master Fund; First Guardian Master Fund](#).

²⁸ *Corporations Act 2001*, Section 766B,

²⁹ Rest's submission to the Sustainable Investment Product Labels consultation can be found [here](#).

³⁰ The Australian and New Zealand Food Standards Code is an example of a framework for labelling standards. The code includes specific labelling and information requirements that apply to certain food products. The Food Standards Code can be accessed [here](#).

³¹ Based on average balances for Rest members aged 60-64, as at 31 October 2025.

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- ³² Carers Australia (March 2022). Caring Costs Us.
- ³³ Australian Human Rights Commission (AHRC) (2013) Investing in care: Recognising and valuing those who care. Chapter 11, page 53 onwards.
- ³⁴ Myra Hamilton and Cathy Thomson, Cambridge University Press (2016) Recognising Unpaid Care in Private Pension Schemes.
- ³⁵ Senate Economics References Committee (April 2016) 'A husband is not a retirement plan': Achieving economic security for women in retirement. Pages 60-65.
- ³⁶ As above. See recommendation 5.58.
- ³⁷ Rest research, commissioned in 2022.
- ³⁸ ASFA (July 2024). ASFA Research Note: Superannuation balances of First Nations individuals.
- ³⁹ Superannuation Industry (Supervision) Act 1993, Section 10(1).
- ⁴⁰ Superannuation Industry (Supervision) Act 1993, Section 10A.
- ⁴¹ Treasury (2019). Superannuation binding death benefit nominations and kinship structures, Discussion paper.
- ⁴² Financial Services Royal Commission (2019). Final Report. Vol 1, page 254.
- ⁴³ Bankwest Curtin Economics Centre (May 2020) Aboriginal and Torres Strait Islander Australians and the Superannuation System. Page 53.
- ⁴⁴ Research conducted by Redbridge Group, on behalf of Rest, via an online survey of 2,304 Rest members aged 18 and above between 1 July and 16 July 2024.
- ⁴⁵ Climate Change Authority (2025) 2035 Targets Advice. Page 2.
- ⁴⁶ The Government should consider the full range of policies available to drive climate mitigation, for example methane reduction strategies and driving investment in sustainable fuels. While climate mitigation is critical so too is adaptation. Government should ensure policy settings incentivise super funds and other institutional investors to play a key role in financing adaptation solutions in Australia. Rest supports the Net Zero Economy Authority and its support for a just transition to a low-carbon economy, particularly for those affected communities in regional Australia.
- ⁴⁷ Productivity Commission (2025) Investing in cheaper, cleaner energy and the net zero transformation, Inquiry report. Page 2.
- ⁴⁸ Mandala (2025) Optimising Australia's Specialist Investment Vehicles for the Net Zero Journey.
- ⁴⁹ Rest's December 2023 submission regarding the Sustainable Finance Strategy can be found here.
- ⁵⁰ Rest's February and July 2023 submissions regarding Climate-related Financial Disclosure can be found here and here.
- ⁵¹ Rest's September 2025 submission to Treasury's consultation on sustainable investment product labels can be found here.
- ⁵² Jobs and Skills Australia (November 2025) Retail Trade. Weekly rate, annualised.
- ⁵³ ABS (September 2025) Total Value of Dwellings.
- ⁵⁴ Anglicare (2025) 2025: Rental Affordability Snapshot – Essential Workers Report. Page 8.
- ⁵⁵ Some of these actions were also proposed by the Interim National Housing Supply and Affordability Council's July 2023 Report to Government Barriers to Institutional Investment, Finance and Innovation in Housing.
- ⁵⁶ See also: IFM Investors (December 2024) Investing in Australia: Accelerating industry super investment and growing Australia's housing supply.
- ⁵⁷ Further detail on this, and other related proposals, can be found in the John Curtin Research Centre's April 2023 Policy Report, Super Solutions: Tackling Australia's Housing Affordability and Supply Crisis.

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